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# ***Wrestling Observer Newsletter***

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When doing an overview of the 20 year history of the Ultimate Fighting Championship, a milestone reached on 11/12 and celebrated four nights later at UFC 167, you can't help but view almost every aspect of the ups and downs as being luck.

Good luck. Bad luck. A lot of both. And in the most extreme of ways.

So many aspects of the current situation are attributable to a series of flukes that could not have been planned, and certainly never predicted when Semaphore Entertainment Group, a New York promotional company that specialized in doing concerts on pay-per-view, partnered with ad man Art Davie, and Brazilian Jiu Jitsu instructor Rorion Gracie, to put together an event on November 12, 1993.

Now, please don't misinterpret luck as being apart from hard work. If the major players in Zuffa, The Fertittas, Dana White, Joe Silva and others in charge for the past dozen years, didn't have the work ethic, and didn't learn to navigate the market, understand the consumers, and most importantly, have the money to survive the lean years, the good luck would have meant nothing. And they had more than enough bad luck that could have easily killed them very early on.

But the reason they were able to purchase the company for \$2 million in 2001 was because SEG, which gave the UFC life and was behind its first period of almost incredible success, was running into brick walls on every front.

A few years after he sold the company, and it started achieving success under the current management team, Bob Meyrowitz, the CEO of Semaphore, when looking back at his seven plus year run, said in hindsight, "It just wasn't fair."

The early history of UFC was not so much luck as the ability to put together, what by today's eyes, would be viewed as a sloppy, amateurish show. But in 1993, nobody knew anything. The producers didn't know. The announcers didn't know. None of the fighters had a clue of what fights with virtually no rules would turn into. Viewed as it was at the time, would be very different than watching it now. Then, it was a fascinating and completely unexplored world of what freestyle fighting with little limitation of rules actually looked like and what the results would be.

"At the time, I didn't have a sense of what it was going to be," said David Isaacs, who along with Campbell McLaren, ran the UFC in its formative years under the SEG banner. "I thought it would be like pro wrestling, only real. That's what we thought it would be. That's how I imagined it. We were trying to build something like a pro wrestling franchise. When wrestling is big, it's huge. But when wrestling isn't hot, it's still a good business. This was our entertainment platform. That's what I thought it would be. At that point it was hard to imagine getting fights on cable TV, much less dominating cable TV."

People forget the first show had rounds. Since no fights on the first show even went five minutes, it didn't matter. As was the case in the first few years, after every show, SEG would look back on what happened, and make changes accordingly, since there were no commissions nor red tape governing them. Rules were changed or modified after every show. Rounds were quickly eliminated on the guise all fights would be short anyway. A Gracie student, police officer/powerlifter John McCarthy, who was actually looking to fight in the UFC, was convinced to referee the second show, and he and wife Elaine were two of the most important figures in the early years of the promotion. After the second show, McCarthy refused to referee unless they gave him the power to stop matches, feeling the no referee stoppage rule had potentially scary implications.

But as it turned out, as fighters understood the game better, they weren't losing as quickly and easily. Low blows were eliminated, allowed and then eliminated again. Head-butts, a staple of wrestlers who would get the top position and be held in guard, were eventually eliminated, and ended up being a factor in Mark Coleman's fall from being the dominant player in the sport circa 1997.

The first show was advertised around the idea that every kid on the playground debated from probably as long as there had been martial arts movies and karate studios in every city. Who would win a fight between Bruce Lee and Muhammad Ali? Could a kung fu guy beat up a karate guy? Could a top amateur wrestler or even a pro wrestler win real fights?

Jim Brown, who played a movie tough guy, and before that, was the baddest running back in the NFL, presided over the early shows as one of the announcers, who all had absolutely no idea what they were about to see, nor a clue how it would evolve.

The show was a success, garnering 86,000 buys on pay-per-view. It was enough that a second show was scheduled, which did even better. These numbers made no sense, since the show had minimal advertising and the promotion had no television exposure. One of the things about the early events is that it established the "UFC" initials as the real deal in the public's eye.

McLaren, a UC-Berkeley graduate who admittedly was not looking to create a new sport, called himself a creative guy. After the first show, he said they learned from what they saw, noting in particular being shaped by outside forces, a Richmond, VA, arcade game worker named Joe Silva, who wrote him a lengthy letter, and then called him, and shaped his understanding on the fight side, and this newsletter, shaping his understanding of the business side.

His early contribution, was four words.

"There are no rules!"

"Are you going to sell pay per views saying, 'Safer than high school football?'" McLaren said to Newsday. "That would not be a good marketing slogan."

But to garner the attention to get those buyers, the limited marketing they did used that phrase, which wasn't quite true. It became a hit at Blockbuster videos, with the phrase of the event being banned in 49 states (UFC had already run shows in five states when the first video box with that phrase came out). They portrayed it as this thing so dangerous it wasn't a sports event they were promoting, but this forbidden fruit, something everyone imagined but never thought they could see. Once, McLaren pushed the idea that the fights could only end in knockout, submission, or death.

The success was based on the idea. It's something that could never work in the marketplace today. At the time, pay-per-view events themselves were rare, so every event was seen as something special. While nobody without television had ever been able to promote a successful franchise on pay-per-view, with UFC being the lone historical exception to the rule, breaking a new product into pay-per-view today and having success is far more difficult.

"If you told me now you're going to launch a pay-per-view franchise without television, I'd say you're crazy," said Isaacs. "And the (pay-per-view) universe is much larger now. But then, it was the idea of something people imagined but never thought they'd see. It was something people wanted to see, and thought they never would be able to see, Bruce Lee vs Muhammad Ali, fighting on the streets, a real

true fight not constrained by the rules of boxing. The combination was very powerful."

There was no such thing as the term "MMA," or even "NHB," for No Holds Barred, both of which came a few years later. It was just almost no rules fighting, with only biting, eye gouging, groin strikes and small joint manipulation banned. Even hair pulling was an ugly component in some of the early fights. Groin strikes weren't a factor on the first show, so they were allowed, but eventually banned a few shows later, as was fish-hooking. Head-butts weren't banned until 1997. Eventually stomps and soccer kicks were also banned, as well as digging fingers into an open cut to spread it.

It's hard to say how much of a factor that Royce Gracie, a skinny, babyfaced Brazilian, Rorion's younger brother, who at about 176 pounds was the lightest man in the competition, winning the first two one-night tournaments was. Certainly it freaked people out because it went against what nearly everyone grew up thinking about what fighting was. But it did help call attention to the show. It also immediately popularized Rorion Gracie's trademarked Gracie Jiu Jitsu. From Rorion Gracie's standpoint, that was the real goal.

Once it was accomplished, and the reality of longer fights needing time limits and the sport evolving to where Royce would not be able to win consistently, Royce was pulled out and Rorion sold his stock to Meyrowitz, who was full owner from 1995 to 2001.

Most acknowledge Ken Shamrock, who Gracie choked out in 57 seconds in the first tournament semifinals, as the second best fighter in the first show.

Shamrock was a pro wrestler who went by the names Vince Torelli and Wayne (his real middle name) Shamrock. He migrated to Japan after being taught the submission game of catch wrestling by Masami Soranaka, the son-in-law and leading protege of Karl Istaz. Istaz, better known as pro wrestler Karl Gotch, was a 1948 Olympian who ventured to Wigan, England, where the toughest wrestlers had an experimental submission and torture laboratory inside a shack known as "The Snake Pit."

Karl Gotch, with his legitimate ability as a submission wrestler, became almost a cultural deity in Japan, known throughout the country as "The God of Wrestling."

In 1993, at the same time Rorion Gracie, Art Davie, McLaren and Meyrowitz were working on the idea of the first UFC, Shamrock and several Japanese tough guys who idolized and trained directly under Gotch, grew frustrated with pro wrestling and its political pecking order and predetermined outcomes.

They came up with their own concept, named Pancrase, after the sport of Pankration in the original Greek Olympics, nearly 2,800 years ago. To them, they were just doing pro wrestling, except the fights would be real. With the exception of a charismatic Dutch fighter named Bas Rutten, the early fighters in the promotion were all part of the same pro wrestling promotion in Japan, where the younger wrestlers broke off to form a new company.

They still wore their pro wrestling speedo-like trunks and wore their pro wrestling boots, which later were dropped when it was realized they made them more susceptible to ankle locks and, especially, heel hooks. They fought in a ring. Their concept of fighting was based around submissions, but adding kicks, which in a fight were a must in the Japanese culture, with wrestling. They allowed open handed strikes to the head and punches to the body, feeling punches to the face bare-knuckle were not sport. Stemming from pro wrestling, if someone was in a submission and got to the ropes, the hold would be broken.

Just because of how culture was, in the U.S., when a playground fight would break out in the pre-UFC days, guys threw fists, having no idea what to do, because boxing was the fighting style they grew up with. In Japan, when a playground fight would break out, kids would try judo

throws or kicks, but not punch, due to what they saw, which is why those rules came about.

Pancrase, which still exists in Japan on a small level, debuted in Japan on September 21, 1993 in suburban Tokyo before a sold out crowd of 7,000 fans at Tokyo Bay NK Hall. It can be argued that was actually the first MMA promotion and first major show.

By the time UFC I came around, Pancrase had run three shows. Shamrock was already established as its top early fighter, winning all three of his fights in quick order. To show how much things have changed, when Shamrock arrived in Denver for a tournament where he could have fought three times in one night, his most recent fight in Japan was four nights earlier.

UFC probably didn't need Royce Gracie to win, and a muscular American bodybuilder-looking guy in speedos would probably fit more into what most Americans thought the world's best fighter would look like. It may have taken off just as big, if not bigger, if Shamrock would have won. But there was a fascination with Gracie winning because of how he looked that never would have been there had Shamrock won the first tournament.

The two immediately became the top stars and rivals.

And just as quickly, SEG officials knew they had a hit on their hands.

"The first time we saw it for ourselves was when we would show the people in our office, not just the fight fans, everybody, they went, 'Oh, my gosh,'" said Isaacs. "We went down a lot of different paths. We thought we were trying to find the toughest guy on the planet. Then we thought we knew who it was when Mark Coleman became champion. Then, when Maurice Smith beat Mark Coleman, it forced us to rethink everything. The sport started to evolve from one guy who knew what he was doing, to guys who were really good at one thing and using it to dominate, to guys good at one thing and learning to defend all the other stuff, to guys now who are truly well rounded in all the disciplines. It took a long time to get there. And there were a lot of surprises. You'd see a guy you didn't think could win. There was Randy Couture. I liked Randy from the beginning. But I never thought he'd turn out to be that kind of fighter when I saw him next to Mark Coleman. You never know."

Things were growing based almost entirely on word-of-mouth, until good luck, that nobody could have predicted, nor scripted, came SEG's way.

UFC III, on September 9, 1994, in Charlotte, N.C., was another tournament. It was built around television commercials with Gracie and Shamrock going into a tournament to settle their score. Gracie had been untouchable in winning two tournaments. Shamrock missed the second tournament due to an injury.

In the first round, Gracie fought a tattooed up tough guy named Kimo Leopoldo. Facing a man 70 pounds heavier with good balance, his usual strategy of takedown, mount and choke wasn't working. He tried hair-pulling and groin strikes, to little avail. But Leopoldo eventually gassed out, and was caught in an armbar. Gracie still won, but exhausted, bowed out of the tournament. Shamrock, who had blown out his knee prior to the tournament but had become obsessed with Gracie, won his first two fights. Instead of going into the finals, he bowed out, claiming he didn't want to risk hurting his knee. He said the only reason he even competed that night was to avenge his loss to Gracie, which wasn't possible. His adopted father, Bob, was backstage yelling at him, and the two didn't speak for a time when Ken refused to go out for a final fight that he most likely would have won.

An Omaha police officer named Steve Jennum, a tournament alternate who had fought in a match before the pay-per-view went on the air, knocked out a guy named Harold Howard in the finals. On the surface, this looked like it had been a disaster.

In reality, it was the greatest thing possible. When the show was over, it led to debates on who could have won, should have won, and who was the best. Kimo, who carried a big cross to the ring, was an instant star. Shamrock and Gracie didn't lose, but also didn't win the big prize. There was still interest in who would win their fight.

Pay-per-view took off from that point, peaking with more than 250,000 buys for a show built around a Gracie vs. Shamrock superfight, which went to a time limit draw. It maintained that level for Shamrock's next few fights as the top headliner.

And that was the worst thing possible.

UFC was becoming an incredible hit on pay-per-view, suddenly rivaling both boxing and pro wrestling, which made no sense since it got zero media coverage and had no television to promote its events off of. Its success bred enemies.

After the show, McLaren heard from the Chief of Police in Charlotte, who told him that if he put on another show in the city, he was putting him in jail.

"I don't know what the charge is, I don't know what the law is that you're breaking, but I guarantee you, you'll be in jail until I figure it out," he told McLaren.

McLaren noted people think of UFC's beginning as this underground event, but noted that John Milius and Arnold Schwarzenegger were early advisers, and that the office UFC was born out of was in Manhattan, right next to Tiffany's.

Plus, the good luck the company had in its growth was turning bad. Insiders at SEG, including current UFC matchmaker Joe Silva, would joke, in a macabre way, about the existence of the UFC curse. Basically, there was a constant stream of things that nobody could have seen coming, that were knocking them down.

In Buffalo, N.Y., there was a power failure in the building, delaying the show. By the time it was fixed, the delay caused the pay-per-view show to go off the air while the tournament final was still in progress. That was the second time, in systems where the show was delivered automated where it went off the air in progress, leading in both cases to massive refunds having to be issued.

"You remember the UFC curse?" said Isaacs. "Whenever we got going, something came up and would knock us off. There was a power outage in the venue which made the fights go overtime, and legal problems in New York and Detroit. Sometimes you make your own luck, but we had a unique business and the bad luck almost put us out of business."

The success bred more media attention. which one would figure was good. But in the long run the attention that the success of the early shows garnered were the main reason for the downfall.

"There were controversies, but the reason we were a target was because we had incredible popularity immediately," said Isaacs. "We hit 300,000 buys when the entire pay-per-view universe was only 30 million homes. We did one percent of the homes. We were doing WWF numbers. That was unheard of. But that's what made us such a target. We had some crazy, fun times then. But they were quickly overshadowed by a lot of the challenges. If you look at the numbers we did in the 90s, think about how long it took them (Zuffa) to get to the same levels."

The cast of "Friends," one of the hottest shows on television, became fans. They got an episode with a UFC theme as part of a two-part series on the show, which featured referee John McCarthy and early star David "Tank" Abbott. But if people in an entertainment business give you the phrase that, "There's no such thing as bad publicity," they must know nothing about the history of UFC.

The promotion of being banned in 49 states, the knockouts, submission or death line, as well as footage of low blows before they were banned, and Gerard Gordeau's kicking Teila Tuli's teeth out on the first show were shown over and over again as outraged media coverage began.

UFC had to win a last minute court fight to keep a 1994 show from being canceled in Bayamon, Puerto Rico. Once they left, it was made clear to them they could never run on the Island again. To this day, there has never been a second UFC show there.

What was scheduled as the premier event of 1995, "The Ultimate Ultimate," as it was called, for Denver, the site of its birthplace. It was essentially a tournament of champions. This was when UFC first became a nation news story for several days. Local politicians attempted to kick the show out of town. The media response was irrational, usually focusing on how it was barbaric, that somebody could die, and that it was an example of a decaying society that such a thing was even considered.

Nobody wanted to hear safety records, as at that point injuries in UFC competition was usually limited to broken hands caused by a lack of gloves, which actually limited the numbers of punches thrown and made the sport safer than it is now. There was no understanding of what was being presented. The idea of chokes in fights outraged people unaware that it was a maneuver used in judo competitions held all over the world.

But it was a great cause for politicians, because the media fueled the idea it was a barbaric activity and politicians had an easy cause to stand up for. Ultimately, the show was saved by a compromise where UFC wouldn't take legal action against the city for violation of an existing contract, if they'd move from a larger arena to a smaller arena. The compromise was that UFC could keep its show in town, although running in the 2,800-seat arena for a major event meant they had to turn a large number of fans away. But they didn't have to move, and the politicians could save face that they moved the show out of the major arena.

In 1996, before a show in Detroit, Canadian cable distributors pulled out of airing any future UFC events. At the time, Canada represented nearly 25% of the pay-per-view buys.

Then, local officials tried to ban the event that had already sold out Cobo Arena with 11,000 fans and a \$400,000 gate, which in 1996 was considered incredible live business.

A judge, having no understanding of the subject, ruled against the local officials attempt to ban the show. The officials had found a statute from the 1800s banning fist fights that weren't sanctioned boxing matches. But he ruled to let the show continue, as long as no punches were allowed.

Meyrowitz, in the media the day of the show, pushed that these were top level athletes, noting that the show featured a gold medal winning wrestler in Mark Schultz.

McLaren had from the start tried to recruit Dave Schultz, a 1984 Olympic gold medalist, who was still active and considered the unofficial leader of the American elite wrestlers as the country's best wrestler of the 80s.

"I tried Dave Schultz first," said McLaren. "He said the UFC sounded too crazy for him. Then he told me to try his brother."

Younger brother Mark, who won a gold medal in 1984 at 180.5 pounds, was a last minute addition to UFC 9 when another fighter, David Beneteau, tried to hide having a broken hand from the UFC doctors, but got caught in a pre-fight checkup. He was paid \$50,000 to takedown and ground-and-pound Gary Goodridge to a decision and was thought to have a good shot at being the company's next big star

Mark Schultz was at the time the wrestling coach at Brigham Young University. Officials at the school were furious their wrestling coach was involved in something with the image UFC had. He was told in no uncertain terms he'd lose his job if he continued, and never fought in UFC again. A few years later, the same thing happened with another gold medalist, Kevin Jackson, who was told he'd lose his coaching job if he continued to fight.

The public was never informed of the judges' ruling. Before the show, fighters were all but told to ignore it. In the undercard fights, they all did, while referee John McCarthy kept verbally warning fighters as they were punching, without ever calling fouls or stopping the action.

One fighter, however, decided he was not going to defy a court order, afraid that somehow he may get arrested. It was Shamrock, who was in the main event against Dan Severn. Their 30 minute waltz, with Shamrock unwilling to punch, Severn unwilling to commit first, and neither wanting to try and takedown for fear it wouldn't work against another strong wrestler, was among the worst UFC main events in history. That was part of a series of whammies in rapid order that crippled the business.

"We had that terrible Severn vs. Shamrock fight in Detroit when the judge ruled we couldn't do closed fists," said Isaacs. "A judge decided the rules these guys would fight under a few hours before the show. It ruined the event. It's not like today, where they are doing events every week. We had maybe five events a year. It really let the air out of the balloon. Going overtime in Buffalo had really pissed the cable industry off."

"Really, it was instantaneous," said Isaacs about the fall from the big numbers they were doing with every show. "Leo Hindery took over the reigns at TCI Cable and John McCain was running the Commerce Commission. We now had two opponents who could have affected us politically, one from a regulatory perspective, and the other just wanted to turn us off."

McLaren actually was hoping for enemies, just not those two.

"I (was) sort of hoping it was gonna be someone like Jerry Falwell, someone from the religious right because we could have dragged that out through the press and been great," he said. "To have the head of the armed service congressional committee, POW, was hero, future Presidential candidate, that's not the guy I would have picked."

Hindery was in charge of a small cable company that had refused to air UFC from the start. But when he was hired on to run TCI, he became a huge industry power player.

"It was brutal," said Isaacs. "Fighting McCain was brutal. He's a powerful guy. I don't think he ever fully understood the sport. He wasn't listening to what we were trying to tell him at the time. It's hard to know if it's our fault or not. He just wasn't listening. Our steps to get regulated and to work with other athletic commissions didn't seem to get traction. We were being called human cockfighting. That became the term."

At the time, Larry King devoted an hour to UFC on CNN, with a debate. On one side was Meyrowitz and Shamrock. On the other side was McCain and Marc Ratner, at the time the executive director of the Nevada State Athletic Commission, vocally arguing that the sport shouldn't be allowed.

Today, Ratner is on the other side as the Vice President of Regulatory Affairs for the UFC, and Shamrock is a vocal critic of the promotion, although not the sport. McCain praises the new owners for the changes made in creating a sport. It was hardly the only irony. Cablevision, owned by the Dolan family, pulled UFC from airing on pay-per-view, which was another major economic blow. Today, the Dolans run Madison Square Garden, and have been pushing the legislature to allow them to hold a live UFC event there.

In 1999, when Meyrowitz was hitting brick walls in trying to get the events back on pay-per-view, he was constantly told that if they got regulated in Nevada and New Jersey, the two leading boxing commissions, then things would be considered.

UFC was on the agenda with the Nevada commission, and the tide had somewhat turned. Ratner was no longer opposed. The belief was that of the five commissioners, three were going to vote in favor of UFC being regulated in the state. Who favored and opposed is not known, but among the commissioners were Lorenzo Fertitta Jr., and former Dallas Cowboys quarterback Glenn Carano, the latter of whom seemed strongly opposed at the time.

At the last minute, one commissioner changed his mind. Knowing he was going to lose the vote, Meyrowitz pulled out of asking for a vote. It was a huge loss at the time the promotion could ill afford one.

Of course, Fertitta ended up buying the company although no talks would be in place for such a deal until more than a year later. Carano's daughter, Gina, at the time a local high school basketball star, ended up not just becoming a fighter, but one of the sport's biggest stars before parlaying that fame into action movies.

But Isaacs felt the dye was cast two years earlier.

"Then, New York state became the nail in the coffin," he said about the issues in early 1997.

Amidst all the bad news, with cable systems coverage falling like dominos, Meyrowitz struck a deal in New York, where SEG was headquartered. A law was put in place that would legalize UFC in the state and put it under the auspices of the New York State Athletic Commission. An agreement was made that the company would run a show in Niagara Falls, which was having economic problems, with the idea of bringing revenue in. If that went without a hitch, since they'd already run Buffalo with no problems past the power failure in the building, they would run at the Nassau Coliseum, just outside of New York. If that went well, they'd run Madison Square Garden, and figured they'd be back in the game in a big way.

But once the law was passed, a rival promotion, Extreme Fighting Championships, scheduled an event in New York City. The media, in particular Richard Sandomir of the New York Times, had a field day with not just the sport, but the legislative branch of government that passed a law allowing it in their state. New York Mayor Rudy Giuliani came out as vocal opposition.

With the law in place, with no legal way to stop the Niagara Falls event, the athletic commission was pressured to find a way to keep them out. They wrote a last minute UFC rule book designed to do so. Among the rules were that the Octagon had to be a different size, meaning they'd have to build a new, larger one at the last minute, and that fighters would have to wear boxing headgear in competition. There were tons of new regulations that essentially forced SEG to go to court.

In their minds, this was a no-lose event. They had a law legalizing them, and then suddenly the entire nature of what they were going to present was being changed on them at the last minute. A court fight ensued, and this time, UFC lost on the day before the show. They had to charter planes and fly everyone to Dothan, Ala., for a show. They had to refund all the ticket money in Niagara Falls, and with no time to promote, let everyone in free in Dothan to have a crowd at the new venue.

With the last minute flights, by the time the fighters got to their hotels in Dothan, it was 5:30 a.m. the morning of the show. The octagon mat was still being painted when the pay-per-view hit the air. But the show went on.

The cost was astronomical for a company the size of SEG. But officials felt with all the problems, that if they couldn't deliver a show as contracted, they would lose the cable companies still left in the game.

As it turned out, virtually all the major companies, with pressure of McCain, still pulled out over the next few months.

The politicians in New York, who a few months voted overwhelmingly to legalize the sport, voted even more overwhelmingly to ban it. In actuality, very few states actually ever banned UFC, but in strong commission states it wasn't allowed without commission approval. But New York actually put a law in place, so when, like now, if the commission wanted it, their hands were tied. To this day that law has remained in effect and UFC has still never run there.

Even though SEG limped along for nearly four more years running shows before selling, Isaacs points to this period as the turning point.

"For me, (the turning point) was New York," he said. "We were based in New York. It made sense to hold the events in New York. We knew if we could do an event in New York City, it would have been much bigger than any other event. I couldn't believe the emergency legislation would pass after we'd worked with the legislature. We couldn't believe we lost the appeal. At the same time, I had just replaced the entire production team. This was going to be the first show with a full sports crew. We were a small company. It was difficult internally. We really wanted to turn this into a sports direction and cover it more in a sporting way. The idea we were able to move and have the show in Dothan was a miracle. We were tired, exhausted and frustrated, but proud, because we believed if we didn't get that show on the air, that was it. That would have been the end of our business. After all the problems, if we couldn't provide a show, the cable companies would have never put us back on."

The sports idea was an about-face from the beginning. When McLaren started the UFC, he came from an entertainment background and would tell people that the worst thing possible was to present UFC as a sport. And the reality is, in the beginning, if it was presented that way, it would have had no chance of taking off. But not being presented that way, it had no chance for long-term survival.

"When a business is young, every deal is so crucial," said Isaacs. "Every show is so crucial. Our fragile business kept getting knocked out, one punch after another to the gut. Then, Cablevision took us off. A month before the (Niagara Falls) New York show, the legislature was thrilled. We were going to run an economically depressed area. We did a successful event in Buffalo. We were working with the athletic commission. But we always had the legal troubles chasing us around. We never knew when they were going to come, or from what direction. They just kept coming. We never knew the problems would come."

Isaacs said things got so bad he was at that point afraid the police were going to even raid the SEG offices.

McLaren was forced out of SEG, leaving Isaacs in charge.

"It started a downward spiral and at a certain point, it was very hard," said Isaacs. "It wasn't fun anymore. We were doing shows at Casino Magic (a 1,700-seat facility in Bay St. Louis, Miss.) and that wore on me. Campbell was gone. We were talking to WWF about selling. We thought we were going to sell it to them and then that didn't happen."

Years later, in what those who were around in the early days called the "Zuffa myth," the story presented was the original owners promoted this spectacle that ran from rules and regulations. Then Zuffa instituted new rules and created a sport. That was not exactly what happened.

Virtually all of the modern rules were in place in 2001 when the purchase came. Most of the changes were the result of the rule changes SEG would come up with after learning from events. Time limits came when UFC 4 went past the three hour mark because of the length of the Gracie vs. Severn tournament final. Judges to render decisions came after Shamrock had gone 36:00 with Gracie and 30:00 with Oleg Taktarov in championship fights. Weight classes started in 1997. Rounds and gloves came to comply with athletic commissions and bring the sport closer to the acceptable rules of boxing.

The gloves changed the sport and probably made it more dangerous. While the bare-knuckle days had a brutal connotation, the reality is, hands couldn't hold up to the punches to the head. A fighter only had so many punches they could throw before the hand would give out, so fighters were far more grappling oriented, and thus, much safer.

The unified rules of the sport came from the New Jersey Athletic Control Board, which in 2000, created the unified rules which have largely been in place ever since. The lone rule that was opposed by those in UFC was disallowing knees to the head of an opponent on the ground, feeling it created an artificial stall position. The idea was that if someone had North-south control, which should be a dominant position for knees, the prospective victim was in a safe zone. Because of the red tape required in a sport governed by so many different commissions for any kind of change, even that rule has stayed in effect 13 years later.

"One of the things Zuffa did was present us as the bad guys, but positioned themselves as the new guys which gave them the opportunity to start with a clean slate," said Isaacs. "Purists will argue which rules were safer and if the current rules were all that different. By being new, they were able to position it that way and we couldn't."

McLaren likes to note that he was the guy who not only started the UFC, but created the octagon, and first hired Joe Silva and Joe Rogan, all key parts of the modern business.

The story of luck didn't end when Zuffa purchased the promotion in 2001. UFC had many problems in the early days.

Zuffa struck a terrible deal to get back on pay-per-view, with the September 28, 2001, "Victory in Vegas" show. They thought they had put together a killer show. Tito Ortiz, the company's biggest star, would defend the light heavyweight title against Vitor Belfort, plus there would be two other title matches, Jens Pulver vs. Dennis Hallman at lightweight and Dave Menne vs. Gil Castillo to create the first middleweight champion. Plus, they felt they had two exciting non-title fights, exciting kickboxer/wrestler and knockout artist Chuck Liddell against BJJ expert Murilo Bustamante, and a heavy action lightweight star, Yves Edwards, against Jiu Jitsu ace Matt Serra.

You couldn't script more of a nightmare. First, Belfort was injured and replaced by Vladimir Matyushenko. Then 9/11 came. The country was in panic. Nobody wanted to travel. Economic fear was high, even to the point of people not being in the mood to purchase pay-per-views.

Then came the show. All five fights went the distance. All five fights were boring. At the three hour mark, with Ortiz on top of Matyushenko with the fight still having plenty of time left, the show went off the air. Many who ordered wanted refunds. Most who ordered, based on the nostalgia of UFC being back, saw a product devoid of the excitement they remembered. It brought back memories of the Severn vs. Shamrock fight that caused buy rates to fall significantly.

After that fiasco, UFC shows did poorly on pay-per-view until the Shamrock vs. Ortiz grudge match on November 22, 2002. But the audience that came back for that one show didn't stay, and the company limped along, losing significant money for two more years.

While Fertitta has stated that he always believed in the product, by 2004, they had lost so much money on it that he thought it was time to get out. More than three years of attempting to get a fight show on television had gotten nowhere. Fox bit once as an experiment, giving the UFC a segment on "The Best Damn Sports Show Period," in 2002. The segment featured one fight, Robbie Lawler vs. Steve Berger. The fight was taped, so it could be edited. And Fox wanted a fight that was going to be a stand-up fight, not wanting to air punches on the ground. The show did record ratings for the show, but they still didn't sign UFC up.

Fertitta told Dana White, who was running the company, that it was time to sell. But when Fertitta didn't get an offer he liked right away, he

decided to kick in \$10 million more, and essentially fund a reality show on Spike TV as a last-ditch effort.

The Zuffa curse ended in 2005. Spike TV picked up the show, but wouldn't put it in prime time. Instead, as luck would have it, they did something much better. The first season was put at 11:05 p.m. on Monday nights, right after WWE's Monday Night Raw, Spike's highest rated television show.

The Ultimate Fighter was a hit, in particular with keeping a staggering percentage of the 18-34 year old male audience that watched pro wrestling's flagship show.

With television, the effects of a single bad match or show were no longer crippling. More than 2.3 million viewers tuned in for the Josh Koscheck vs. Chris Leben grudge match on The Ultimate Fighter. The fight, essentially a one-sided wrestling match dominated by Koscheck, was so boring that in the week after, some said UFC had blown its latest shot with the public. While TUF ratings did fall significantly after that fight, they were still strong.

The luck kicked in on the TUF finale, Zuffa's first-ever live show on television, with the Forrest Griffin vs. Stefan Bonnar fight being the perfect fight on a night the company desperately needed to be a success. The modern UFC, its big television strength, pay-per-view numbers and live gates, can probably be traced back to Leben vs. Koscheck, or perhaps, the first few episodes of the reality show.

But what sealed the deal was the Griffin vs. Bonnar fight, and the emotional post-match where White announced that there was no loser, and that both men, who the public believed were fighting for only one slot to get into the UFC, were both being offered "six-figure" contracts.

There were still bad nights. UFC 61, on July 8, 2006, bringing back the Ortiz vs. Shamrock fight a second time, did 775,000 buys, a number far beyond what even the most optimistic person could have ever envisioned the company doing even six months earlier. But it was a UFC 33 level disaster of a show. Some feared they turned off so many people it did more harm than good and that the second glory period was over.

But it was the opposite. Fans were unhappy with the stoppage of the fight in just 1:18 after Ortiz threw elbows at Shamrock's head. That stoppage today would be viewed as completely acceptable. Fan knowledge and thoughts regarding the effects of concussions and brain trauma were very different only seven years ago.

To pacify outraged fans, White scheduled the rematch for free television. The fight, heavily criticized by a growing MMA media, was one of the most important in history. As a fight, it wasn't much, Ortiz dominated a one-sided fight that ended in just 2:23 with ground-and-pound.

But the ratings for the show were so spectacular that they blew away even White's most optimistic expectations. They were hoping for Griffin-Bonnar numbers, which averaged 3.3 million viewers. Instead, they hit 5.7 million viewers for the short fight. In the Male 18-34 demo, the overall show beat virtually everything on television at the time, including several games of the World Series. In the television world, pay-per-view buys are almost a foreign language. A new sport garnering those ratings was something everyone understood. The UFC at this point was not just a staple program on Spike TV, but a genuine television hit with the hardest to reach but most sought-after consumers.

Proof UFC was on fire came when Ortiz vs. Liddell on December 30, 2006, became the first non-boxing pay-per-view event in U.S. history to top 1 million North American buys.

In hindsight, if it was not for some breaks that were totally unfair, SEG may still be around owning this franchise in its 20th year. However, the sport would not be anywhere near as popular as it is now.

"What Zuffa brought that we couldn't was a number of things," said Isaacs. "One was money. We didn't have the kind of money. We were considered too dangerous to raise the money, or to get big sponsor deals. They also had the connections to get regulated in Nevada. Nevada was crucial.

"The other piece of the puzzle we didn't have was Dana. We didn't have a Dana, who could be the guy as the face of the company selling the product. We needed a Dana. Bob wanted to do more. I couldn't be that guy. Campbell wasn't the guy. Bob wasn't the guy. You needed a Vince (McMahon) or a Dana. UFC is like a fraternity. You either get it or you don't. You're either in it or your not. Dana is all the way in it. People see him and know he's in it. We already had Joe Rogan and Mike Goldberg, but we didn't have that guy who could really drive it forward by force of his personality connecting with the fans. I think that was very, very important. If you see Dana in public, he gets mobbed. He's got 2 million twitter followers."

Meyrowitz years later, after his non-compete ended, attempted to start an MMA promotion, a pay-per-view built around the stars of the mid-90s boom period like Oleg Taktarov and Patrick Smith. But it failed after one show. McLaren is now working on a new fighting television show. Isaacs, who also produced an MMA TV show, "The Iron Ring," on BET for a short period of time, and drew some impressive numbers at first with young viewers, has done a 180. He's now involved with a company encouraging young children to do more reading by applying entertainment and marketing tools he learned selling UFC to consumers a generation ago. Davie, who has saved much of the original correspondences, is looking at writing a book at how the UFC really started and its early days.

On the 20th anniversary, UFC has done an about-face regarding the early creators of what ended up being a significant sport. The recent "Fight for a Generation" documentary portrayed those who created and ran the sport in the early days in a positive manner, chronicling the problems they faced that led to them, one-by-one, walking away from the business they created because of the never ending headaches a fight they could never win. This past weekend, McLaren, Isaacs, and all the originals in charge except for Meyrowitz (who ironically was also not at the first show, even though he owned it, for fear something bad would happen), who had a schedule conflict, were all in Las Vegas. Dana White threw them a big appreciation party backstage at the MGM Grand Garden Arena while the early fights on the show were going on and told them all how much he appreciated the work they did in starting the business.